

August 26 2025



DAQO NEW ENERGY

Q2 2025 Results Presentation

Safe Harbor Statement



This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “guidance” and similar statements. Among other things, the outlook for the third quarter and the full year of 2025 and quotations from management in these announcements, as well as Daqo New Energy’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond the Company’s control. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the demand for photovoltaic products and the development of photovoltaic technologies; global supply and demand for polysilicon; alternative technologies in cell manufacturing; the Company’s ability to significantly expand its polysilicon production capacity and output; the reduction in or elimination of government subsidies and economic incentives for solar energy applications; the Company’s ability to lower its production costs; and changes in political and regulatory environment. Further information regarding these and other risks is included in the reports or documents the Company has filed with, or furnished to, the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date hereof, and the Company undertakes no duty to update such information or any forward-looking statement, except as required under applicable law.



“A leading manufacturer of high-purity polysilicon for the global solar PV industry”



Management Remarks



Mr. Xiang Xu, Chairman and CEO of the Company, commented, “The solar PV industry faced continued challenges in the second quarter of 2025 with market prices across the solar value chain declining due to industry overcapacity and high inventory levels, remaining below cash cost levels. As a result, Daqo New Energy recorded quarterly operating and net losses. Nevertheless, we maintained a strong and healthy balance sheet with no financial debt. As of June 30, 2025, the Company had a cash balance of \$599 million, short-term investments of \$419 million, bank notes receivables of \$49 million, and total fixed term bank deposit balance of \$994 million. In total, our financial bank deposit and investment assets, readily convertible into cash if needed, stood at \$2.06 billion, providing us with ample financial liquidity. With no financial debt, our solid financial position brings us confidence and strategic resilience to navigate the current market downturn and remain well positioned for long-term opportunities.”

“On the operational front, the Company operated at a reduced utilization rate of approximately 34% of its nameplate capacity in response to challenging market conditions and weak selling prices. Total production volume at our two polysilicon facilities for the quarter was 26,012 MT, within our guidance range of 25,000 MT to 28,000 MT. Towards the end of the quarter, as Chinese authorities intensified efforts to curb disorderly competition, we proactively scaled back new sales orders in anticipation of a future price recovery. Accordingly, our sales volume for the quarter decreased to 18,126 MT from 28,008 MT in Q1. Due to lower utilization across our factories, idle facility related cost for the quarter was approximately \$1.38/kg, primarily reflecting non-cash depreciation expenses. On a positive note, decline in the cost of silicon metal and reduced energy consumption drove our cash cost lower by 4% to \$5.12/kg sequentially, including approximately \$0.18/kg related to idle facility maintenance. Overall, polysilicon unit production cost decreased by 4% sequentially to an average of \$7.26/kg, with lower unit depreciation costs resulting from higher production.”

“In light of the current market conditions, we expect our total polysilicon production volume in the third quarter of 2025 to be approximately 27,000 MT to 30,000 MT. As a result, we anticipate our full year 2025 production volume to be in the range of 110,000 MT to 130,000 MT.”

Management Remarks – Continued



“During the second quarter, the solar PV industry remained in a cyclical trough, although proactive initiatives started to emerge toward the end of the quarter. On the demand side, China experienced a surge in installations under market-based reform policies and set a new global record with a staggering 93GW of new solar power capacity added in May. However, installations plummeted to 14GW in June following front-loading in earlier months ahead of the May 31, 2025 cutoff date for new projects. Polysilicon market prices trended downward during the quarter, falling from RMB39-45/kg in April to RMB32-35/kg by the end of June. According to industry statistics, overall industry polysilicon production for 2025 year-to-date has been running below overall demand and consumption, with monthly supply at approximately 100,000 to 110,000 MT. As a result, industry inventory decreased by an estimated 30,000 ton to 40,000 ton between January and July, leaving overall industry polysilicon inventory lower than at the beginning of the year.

Heading into Q3, Chinese authorities have demonstrated increased determination to address irrational competition and industry overcapacity, with the anti-involution initiative taking a leading role in sectors such as solar PV. On June 29, an article from China’s official newspaper, People’s Daily, highlighted the issue of oversupply and disruptive competition in the solar PV industry, calling for measures to curb vicious competition and promote high-quality development. On July 1, President Xi emphasized the need to regulate disorderly low-price competition and phase out outdated capacity at the Central Financial and Economic Affairs Commission meeting. The following day, the Ministry of Industry and Information Technology convened a symposium with 14 solar PV companies to accelerate the industry’s transition toward high-quality growth. Most recently, on July 24, government authorities released a draft amendment to the Price Law, representing a significant step toward strengthening market supervision and deterring unfair pricing practices. The draft clarifies criteria for identifying unfair pricing behavior, such as low-price dumping, and strengthens legal accountability for price-related violations. As a result, polysilicon spot sales prices rebounded in July and polysilicon futures prices surged significantly, supported by favorable factors such as expected higher spot quotes and simultaneous increases in downstream product prices. For reference, the 2509 contract rose sharply from a low of RMB 30/kg in June 2025 to a record high of RMB 55/kg in July 2025, the strongest level since its listing.”

Management Remarks – Continued (2)



“The solar PV industry continues to show strong long-term prospects. In the medium term, we believe that the combined effects of industry self-discipline and government anti-involution regulations will foster a healthier and more sustainable industry. In the long run, as one of the most cost-effective and sustainable energy sources globally, solar power is expected to remain a key driver of the global energy transition and sustainable development. Looking ahead, Daqo New Energy is well positioned to capitalize on the long-term growth in the global solar PV market and strengthen its competitive edge by enhancing its higher-efficiency N-type technology and optimizing its cost structure through digital transformation and AI adoption. As one of the world’s lowest-cost producers with the highest-quality N-type product, a strong balance sheet and no financial debt, we are confident in our ability to weather the current market downturn, capitalize on market recovery, and emerge as a leader in the industry positioned to capture future growth.”

Operational and Financial Highlights in Q2 2025



- Total cash, short-term investments, bank notes receivable and fixed term bank deposit balance was \$2.06 billion at the end of Q2 2025, compared to \$2.15 billion at the end of Q1 2025
- Polysilicon production volume was 26,012 MT in Q2 2025, compared to 24,810 MT in Q1 2025
- Polysilicon sales volume was 18,126 MT in Q2 2025, compared to 28,008 MT in Q1 2025
- Polysilicon average total production cost⁽¹⁾ was \$7.26/kg in Q2 2025, compared to \$7.57/kg in Q1 2025
- Polysilicon average cash cost⁽¹⁾ was \$5.12/kg in Q2 2025, compared to \$5.31/kg in Q1 2025
- Polysilicon average selling price (ASP) was \$4.19/kg in Q2 2025, compared to \$4.37/kg in Q1 2025
- Revenue was \$75.2 million in Q2 2025, compared to \$123.9 million in Q1 2025
- Gross loss was \$81.4 million in Q2 2025, compared to \$81.5 million in Q1 2025. Gross margin was -108.3% in Q2 2025, compared to -65.8% in Q1 2025
- Net loss attributable to Daqo New Energy Corp. shareholders was \$76.5 million in Q2 2025, compared to \$71.8 million in Q1 2025
- Loss per basic American Depositary Share (ADS)⁽³⁾ was \$1.14 in Q2 2025, compared to \$1.07 in Q1 2025
- Adjusted net loss (non-GAAP)⁽²⁾ attributable to Daqo New Energy Corp. shareholders was \$57.9 million in Q2 2025, compared to \$53.2 million in Q1 2025
- Adjusted loss per basic ADS⁽³⁾ (non-GAAP)⁽²⁾ was \$0.86 in Q2 2025, compared to \$0.80 in Q1 2025
- EBITDA (non-GAAP)⁽²⁾ was -\$48.2 million in Q2 2025, compared to -\$48.4 million in Q1 2025. EBITDA margin (non-GAAP)⁽²⁾ was -64.0% in Q2 2025, compared to -39.1% in Q1 2025

Notes:

1. Production cost and cash cost only refer to production in our polysilicon facilities. Production cost is calculated by the inventoriable costs relating to production of polysilicon divided by the production volume in the period indicated. Cash cost is calculated by the inventoriable costs relating to production of polysilicon excluding depreciation expense, divided by the production volume in the period indicated.
2. Daqo New Energy provides EBITDA, EBITDA margins, adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS on a non-GAAP basis to provide supplemental information regarding its financial performance. For more information on these non-GAAP financial measures, please see the section captioned "Use of Non-GAAP Financial Measures" and the tables captioned "Reconciliation of non-GAAP financial measures to comparable US GAAP measures" set forth at the end of this press release.
3. ADS means American Depositary Share. One (1) ADS representing five (5) ordinary shares.

Polysilicon Facilities Update



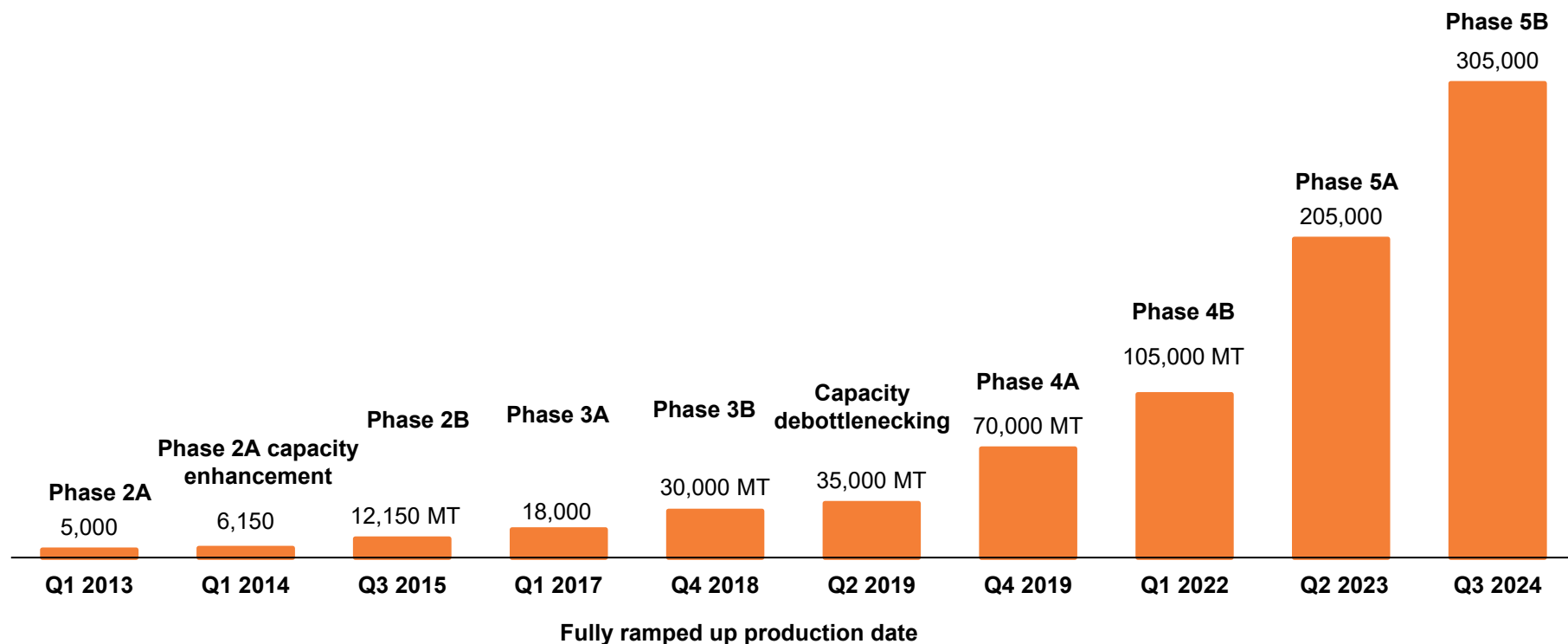
Q2 2025 Key Figures

- Quarterly production volume: 26,012 MT
- Sales volume: 18,126 MT
- Average selling prices: \$4.19/kg
- Average total production cost: \$7.26/kg
- Average cash cost: \$5.12/kg

Outlook

- Expected production volume in Q3 2025:
27,000 ~ 30,000 MT
- Expected production volume in the full year of 2025:
110,000 ~ 130,000 MT

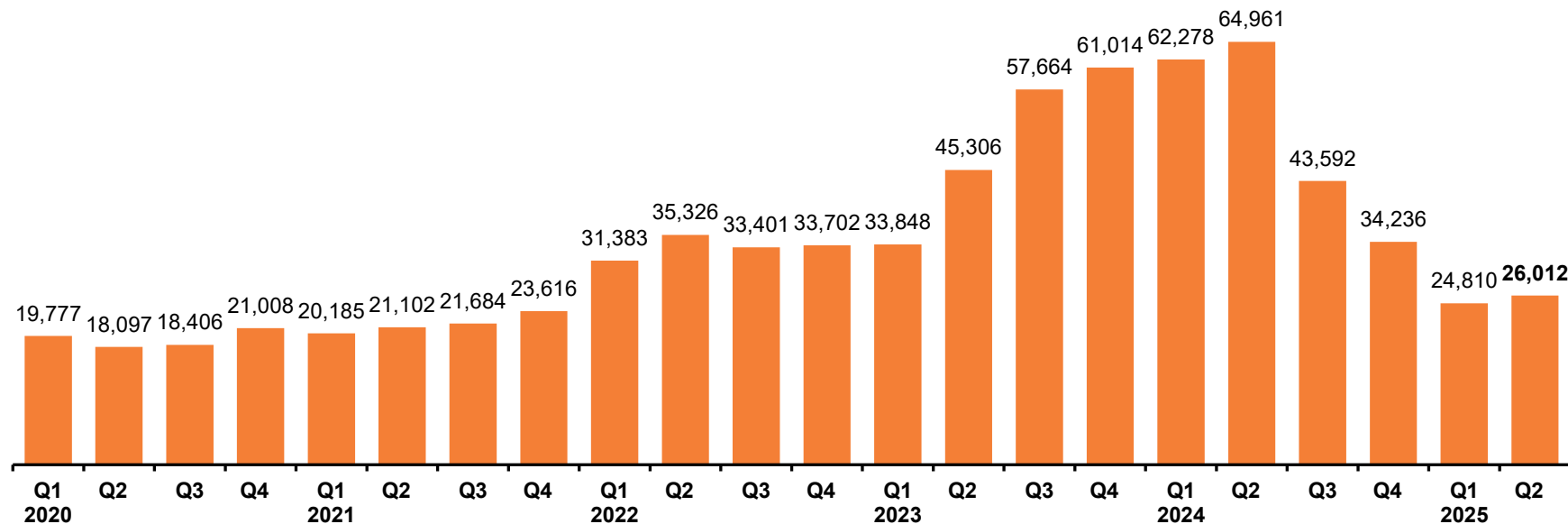
Polysilicon Nameplate Capacity in Daqo's Facilities (MT)



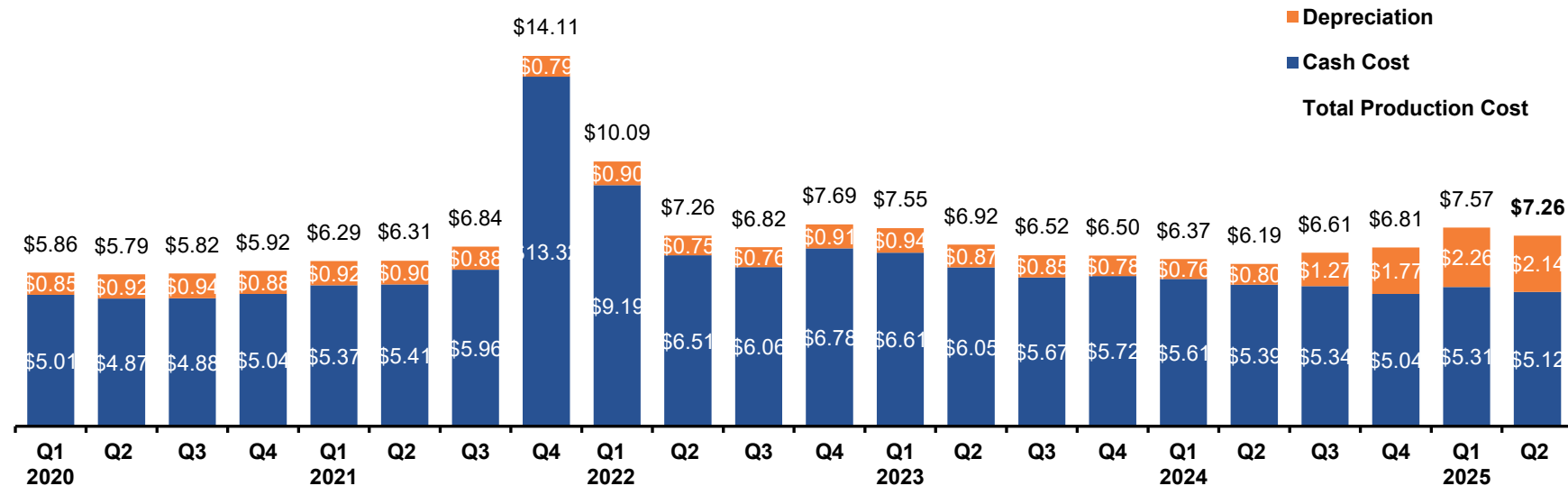
Polysilicon Manufacturing Overview



Production Volume (MT)



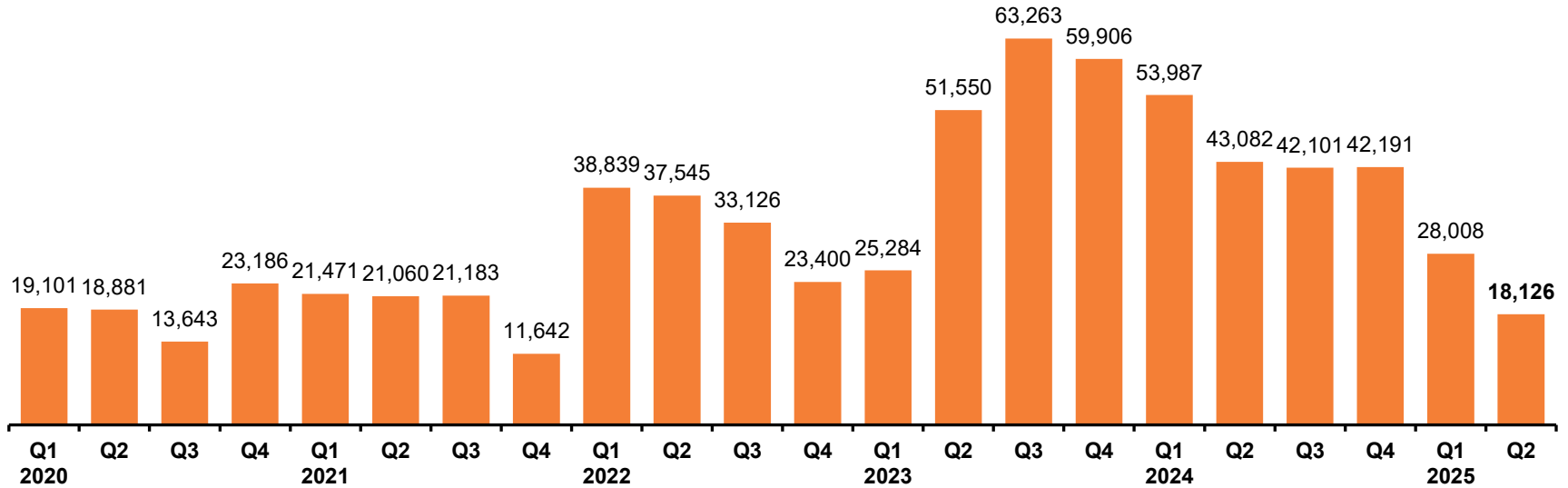
Cash Cost and Depreciation (\$/kg)*



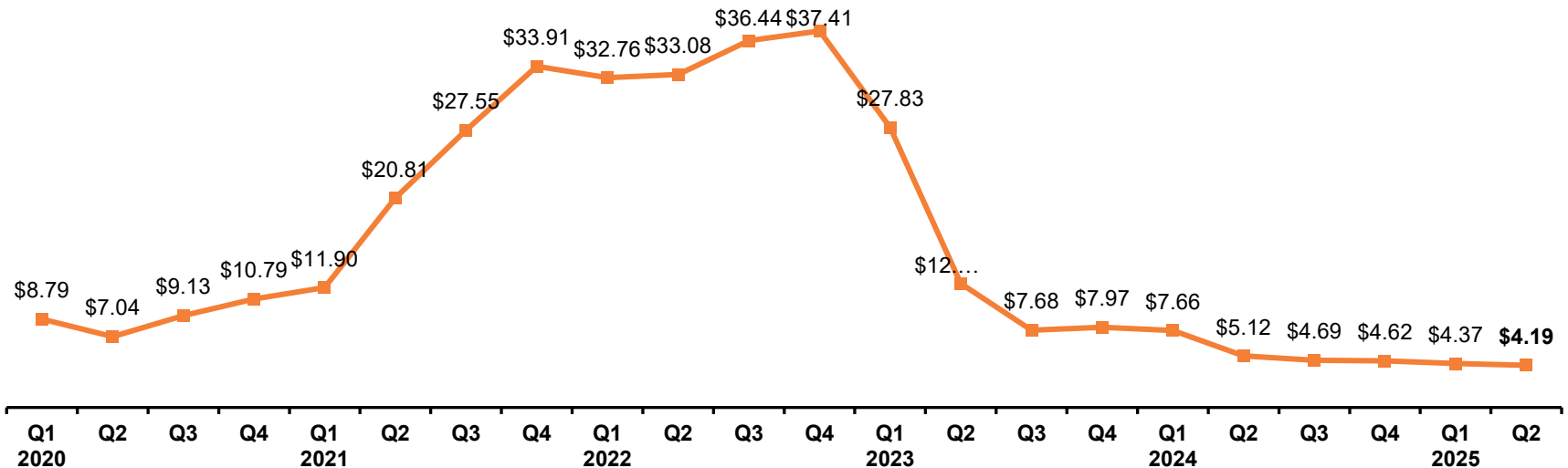
Quarterly Polysilicon Sales Volume and ASPs



Polysilicon External Sales Volume



Polysilicon ASPs



Income Statement Summary



(\$ in millions, unless otherwise stated)

	Q2 2025	Q1 2025	Q2 2024
Revenues	75.2	123.9	219.9
Gross (loss)/profit	(81.4)	(81.5)	(159.2)
Gross margin	(108.3)%	(65.8)%	(72.4)%
SG&A	(32.1)	(35.1)	(37.5)
R&D expense	(0.8)	(0.5)	(1.8)
(Loss)/income from operations	(115.0)	(114.1)	(195.6)
Net loss attributable to Daqo New Energy shareholders	(76.5)	(71.8)	(119.8)
Loss/Earnings per basic ADS (\$ per ADS)	(1.14)	(1.07)	(1.81)
Adjusted net (loss)/income (non-GAAP) attributable to Daqo New Energy Corp. shareholders	(57.9)	(53.2)	(98.8)
Adjusted (loss)/earnings per basic ADS (non-GAAP) (\$ per ADS)	(0.86)	(0.80)	(1.50)
EBITDA	(48.2)	(48.4)	(144.9)
EBITDA margin	(64.0)%	(39.1)%	(65.9)%

Balance Sheet Summary



(\$ in millions)	As of 6/30/2025	As of 3/31/2025	As of 6/30/2024
Cash, cash equivalent and restricted cash	598.6	791.9	997.5
Accounts and notes receivables	49.1	62.8	80.7
Short-term investments	418.8	168.2	219.5
Inventories	167.6	125.9	192.0
Fixed term deposit within one year	960.7	1,125.3	1,168.0
Prepaid land use rights	154.1	152.9	155.2
Property, plant and equipment, net	3,446.4	3,460.2	3,781.3
Total assets	6,290.0	6,310.7	6,940.5
Advances from customers - short term portion	21.0	33.0	59.0
Advance from customers - long term portion	18.2	21.0	102.9
Payables for purchases of property, plant and equipment	336.7	357.6	436.3
Total liabilities	483.1	497.3	762.5
Total equity	5,806.9	5,813.4	6,178.0
Total liabilities and equity	6,290.0	6,310.7	6,940.5

Cash Flow Summary



(\$ in millions)	6 months ended 6/30/2025	6 months ended 3/30/2024
Net (loss)/income	(191.4)	(129.7)
Adjustments to reconcile net income to net cash provided by operating activities	247.1	239.1
Changes in operating assets and liabilities	(161.2)	(388.1)
Net cash (used in)/provided by operating activities	(105.4)	(278.6)
Net cash used in provided by investing activities	(342.7)	(1,681.8)
Net cash used in provided by financing activities	(0.0)	(43.0)
Effect of exchange rate changes	8.4	(47.1)
Net decrease in cash, cash equivalents and restricted cash	(439.8)	(2,050.5)
Cash, cash equivalents and restricted cash at the beginning of the period	1,038.3	3,048.0
Cash, cash equivalents and restricted cash at the end of the period	598.6	997.5

Non-GAAP Reconciliation



\$ in thousands	3 months Ended		
	Jun. 30, 2025	Mar. 31, 2025	Jun. 30, 2024
Net (loss)/income	(98,645)	(92,733)	(157,863)
Income tax (benefit)/expense	(8,172)	(12,274)	(23,283)
Interest income, net	(1,593)	(2,670)	(8,730)
Depreciation & Amortization	60,253	59,245	44,958
EBITDA (non-GAAP)	(48,157)	(48,432)	(144,918)
EBITDA margin (non-GAAP)	(64.0)%	(39.1)%	(65.9)%

\$ in thousands	3 months Ended		
	Jun. 30, 2025	Mar. 31, 2025	Jun. 30, 2024
Net loss attributable to Daqo New Energy Corp. shareholders	(76,478)	(71,837)	(119,780)
Share-based compensation	18,606	18,606	20,963
Adjusted net (loss)/income (non-GAAP) attributable to Daqo New Energy Corp. shareholders	(57,872)	(53,231)	(98,817)
Adjusted (loss)/earnings per basic ADS* (non-GAAP)	(0.86)	(0.80)	(1.50)
Adjusted (loss)/earnings per diluted ADS* (non-GAAP)	(0.86)	(0.80)	(1.50)

Use of Non-GAAP financial measures



To supplement Daqo New Energy's consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles ("US GAAP"), the Company uses certain non-GAAP financial measures that are adjusted for certain items from the most directly comparable GAAP measures including earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA margin (which represents the proportion of EBITDA in revenues). Our management believes that each of these non-GAAP measures is useful to investors, enabling them to better assess changes in key element of the Company's results of operations across different reporting periods on a consistent basis, independent of certain items as described below. Thus, our management believes that, used in conjunction with US GAAP financial measures, these non-GAAP financial measures provide investors with meaningful supplemental information to assess the Company's operating results in a manner that is focused on its ongoing, core operating performance. Our management uses these non-GAAP measures internally to assess the business, its financial performance, current and historical results, as well as for strategic decision-making and forecasting future results. Given our management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's operating results as seen through the eyes of our management. These non-GAAP measures are not prepared in accordance with US GAAP or intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with US GAAP; the non-GAAP measures should be reviewed together with the US GAAP measures, and may be different from non-GAAP measures used by other companies.



Thank you!

